

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**SB 616 - HB 1601**

March 31, 2011

**SUMMARY OF BILL:** Encourages the Bureau of TennCare to: examine and improve hospital discharge and follow-up care procedures for premature infants born less than 37 weeks gestational age to ensure standardized and coordinated processes are followed as premature infants leave the hospital and transition to follow-up care by a health care provider in the community; urge hospitals serving infants eligible for medical assistance and child health assistance to report to the state the causes and incidence of all re-hospitalizations within the first six months of the life of infants born premature at less than 37 weeks gestational age; utilize guidance from the Centers for Medicare and Medicaid Services' Neonatal Outcomes Improvement Project to implement programs to improve newborn outcomes, reduce newborn health costs, and establish ongoing quality improvement for newborns.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Exceeds \$337,700**

**Increase Federal Expenditures – Exceeds \$662,300**

**Assumptions:**

- The fiscal impact assumes that the action encouraged by this bill will be implemented and reflects the cost of implementation.
- According to the Bureau of TennCare, improving hospital discharge and follow-up procedures is currently the responsibility of the managed care organizations.
- According to TennCare, the program recommended by the Neonatal Outcomes Improvement Project would incur annual expenditures of \$1,000,000 for staff and grants to the four regional perinatal centers.
- Hospital reporting about the cause and number of re-hospitalizations of premature infants would be a responsibility of the Department of Health. According to the Department, any costs incurred will be interdepartmental revenue from TennCare.
- The fiscal impact of this bill is difficult to determine, due to unknown factors such as the discharge and follow-up procedures that will be improved, the information that will be reported, and the specific programs chosen. The increase in total expenditures is reasonably estimated to exceed \$1,000,000, of which \$337,670 would be state funds at a rate of 33.767 percent, and \$662,330 would be federal funds at a 66.233 percent match rate.

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**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/kml